

Meeting Objective:

To provide an overview of PSCOC/PSFA operations to PSCOOTF leadership

- Introduce PSCOC Quarterly Newsletter [Bob]
- Introduce planned 2012 PSCOC/PSFA Annual Report [Bob]
- Current PSCOC Applications Report [Tim]

Major Achievements/Outcomes/Deliverables in FY12:

1. E-builder with financial controls has been launched and is performing to specifications. E-builder training has occurred across the state and has been well-received by users. E-builder system implementation is now beyond proof in concept and is completing on time and on budget. E-builder provides for the first time financial accountability on district obligations. [Bob]
2. Special schools adequacy standards have been developed. Special schools have been integrated into the PSCOC standards-based funding process, and the special schools appear to enthusiastically support this evolution in their capital funding process. [Martica]
3. The Facilities Maintenance Assessment Report (FMAR) maintenance effectiveness ranking scorecard has been developed and is being deployed as possible. [Bob]
4. Guidelines and checklists re execution of requirements for HB283 (average condition for new and renewed charters) have been developed and deployed. [Martica]
5. The project budget commitment schedule has been formalized to allow better control of *just-in-time* funding. [Tim]
6. A systematic post occupancy evaluation (POE) process for new school construction was developed, piloted and deployed to capture specific, actionable information on what works and what does not work re providing feedback from design, construction and operation to future school projects. [Martica]

Major Factors/Changes in PSFA's Operating Arena for FY13: (Risks and Opportunities):

1. Given economic and other underlying factors, the average FCI for public schools is highly likely to worsen over the next few years. If facilities meet useful life forecasts, if the state continues to invest a breakeven level of annual capital (about \$130 million), if districts continue to invest about \$200 million per annum, the average FCI would stay the same; *but adding charters will increase the number of buildings in the state public education inventory, which will increase the breakeven level of capital needed to sustain school infrastructure, and total inventory has increased on its own by about 1% per year even before the PSCOC process was implemented and has not slowed.*

Variables: Funding, Total Square Footage, Maintenance Effectiveness

2. Educators are—and need to be—primarily expert in teaching, not in school facilities. Many school districts are challenged to effectively manage their physical plants, and some districts are likely to never achieve facilities management effectiveness.
3. Maintenance effectiveness and staffing in schools appear to be worsening, leading to possible reduction in expected average facilities longevity.
4. Overall, average facilities inventory and respective building systems are nearing end of life, which increases the need for improved maintenance
5. Is there a need/opportunity for a Systems Renewal Program? This might add flexibility to invest capital dollars where the greatest impact can occur.
6. PSFA' has a statutory requirement to improve preventive maintenance, but is impeded by maintenance staffing challenges in districts and end of life facilities factors that generate an ever-increasing level of reactive maintenance (reactive maintenance is 3-4 times more costly than preventive maintenance).
7. There is a need to incentivize districts to take care of facilities maintenance. Benchmarking maintenance performance (**Facility Maintenance Assessment Report**) is key for this. Facilities are in a death spiral and FMAR, could be used to reverse this trend. PSFA developed and has piloted this tool, but does not have the resources to implement.
8. Administrative load on PSFA staff has gone up.